# BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA DOCKET NO. 2017-\_\_\_\_-C

Application of	)
	)
Southern Light, LLC	)
	)
for a Certificate of Public Convenience	)
and Necessity to Provide Resold and	)
Facilities-Based Local Exchange and	)
Interexchange Telecommunications	)
Services in the State of South Carolina,	) APPLICATION
and for Alternative and Flexible	)
Regulation	)
	)
and	)
	)
for Authority to Merge Tower Cloud, Inc.	)
with and into Southern Light, LLC, with	)
Southern Light, LLC Surviving	)

Southern Light, LLC ("Southern Light") and Tower Cloud, Inc. ("Tower Cloud") (Southern Light and Tower Cloud, "Applicants"), by undersigned counsel and pursuant to South Carolina Code Sections 58-9-280 and 58-9-310, and the rules and regulations of the Public Service Commission of South Carolina ("Commission"), hereby request: 1) the issuance of a Certificate of Public Convenience and Necessity ("CPCN") to Southern Light to provide facilities-based and resold local exchange (including exchange access) and interexchange telecommunications services throughout the State of South Carolina; and 2) such approval as may be necessary to merge Tower Cloud with and into Southern Light with Southern Light

surviving, so that Southern Light may continue to operate the network and services as currently owned and operated in South Carolina by Tower Cloud.

This Application is being filed in connection with a series of planned *pro forma* transactions whereby Southern Light's affiliate, Tower Cloud, will ultimately merge with and into Southern Light, with Southern Light surviving (the "Transaction"). The Transaction is being undertaken in order to consolidate and streamline operations among several businesses owned by Uniti Group Inc. ("Uniti Group"). Southern Light already holds certificates of authority in several states as well as with the Federal Communications Commission ("FCC"). As part of the Transaction, Tower Cloud intends to move all existing customers and operations into Southern Light. As such, the Applicants hereby request approval for the issuance of operating authority to Southern Light, and for authority to undertake the Transaction, in order to continue to manage the network and services in South Carolina currently undertaken by Tower Cloud. Following the transaction, Applicants will make appropriate filings with the Commission in order to cancel Tower Cloud's existing certificate.

Further, pursuant to S.C. Code Ann. Section 58-9-585 and the general regulatory authority of the Commission, Southern Light also requests that the Commission regulate its interexchange service offerings as described below in accordance with the principles and procedures established for alternative regulation in Commission Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, and as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C. Southern Light also requests flexible regulation for its local exchange telecommunications services in accordance with procedures authorized in Order No. 98-165 in Docket No. 97-467-C.

The Applicants submit the following information in support of this request.

## I. INTRODUCTION

## 1. The name and address of the Applicants are:

Southern Light, LLC 107 St. Francis Street Suite 1800 Mobile, AL 36602 Tel. (251) 662-1170

Tower Cloud, Inc. 9501 International Court North St. Petersburg, FL 33716 Tel. 727-471-5600

## 2. Correspondence concerning this Application should be directed to Applicants' attorneys:

Jack Pringle Adams and Reese, LLP 1501 Main Street, 5<sup>th</sup> Floor Columbia SC 29201 Tel. 803-254-4190

## with a copy to:

Jeffrey R. Strenkowski Uniti Group Inc. 10802 Executive Center Drive Suite 300 Little Rock, AR 72211 Tel. 301-774-0461

Following the grant of this Application, the Commission should direct all correspondence directly to Southern Light's regulatory contact:

Jeffrey R. Strenkowski
Uniti Group Inc.
10802 Executive Center Drive, Suite 300
Little Rock, AR 72211
jeffrey.strenkowski@uniti.com

Tel. 301-774-0461

## 3. In support of this Application, the following exhibits are attached hereto:

Exhibit A - Amended Articles of Organization of Southern Light

Exhibit B – Southern Light Certificate of Authority to Operate in South Carolina

Exhibit C - Proposed Tariff of Southern Light

Exhibit D - Financial Information of Southern Light

Exhibit E - Management Biographies of Southern Light

Exhibit F – Proposed Notice of Filing

## II. DESCRIPTION OF SOUTHERN LIGHT (AND TOWER CLOUD)

#### 1. <u>General Information</u>

Southern Light is an Alabama limited liability company formed on July 29, 1991. A copy of its Amended Articles of Organization is attached hereto as Exhibit A. Attached as Exhibit B is a copy of Southern Light's Certificate of Authority to Transact Business as a foreign entity in South Carolina.

Southern Light currently authorized to provide intrastate telecommunications service in Florida, Georgia, Alabama, Mississippi, Louisiana and Kentucky. Southern Light was recently acquired by Uniti Group Inc. (NASDAQ: UNIT). Along with various other Uniti Group subsidiaries, it is generally conducting business under the "Uniti Fiber" trade name. Southern Light has not been denied requested certification in any jurisdiction, nor has any permit, license, or certificate been permanently revoked by any authority.

The Commission granted Tower Cloud a certificate of public convenience and necessity to provide resold and facilities based interexchange services in South Carolina on August 27, 2010 by Order No. 2010-592 issued in Docket No. 2010-172-C.

## 2. Description of Proposed Services

Southern Light seeks authority to provide facilities-based and resold local exchange, exchange access, and interexchange telecommunications services. Southern Light will offer

interexchange telecommunications statewide. To the extent Southern Light provides switched local exchange services, it will initially do so in the areas served by AT&T and does not plan to provide service in areas of any small or rural local exchange carriers. However, Southern Light does seek authority to provide local exchange services in all areas that are currently open, or become open in the future, to competition so that it may expand into other services as market conditions warrant.

Southern Light's business is building communications solutions for enterprise and carrier customers individually for each projects' needs. Southern Light will primarily provide Dark Fiber, Private Line, Ethernet, Wavelength, Dedicated Internet Access and Collocation services to wholesale (e.g., other carriers), and customers in government, health care, education, financial services, and other large enterprises. It will primarily provide services using its own facilities and facilities leased from other carriers, but also seeks authority to provide service for resale.

Southern Light does not intend to initially offer voice services, but seeks authority to do so, should Southern Light decide to expand its services as market conditions dictate. Similarly, Southern Light does not intend to provide retail residential exchange services in South Carolina. To the extent Southern Light provides retail residential exchange services in South Carolina in the future, Southern Light will comply with 10 S.C. Reg. 103-607 or seek an appropriate waiver of same from the Commission To the extent Southern Light provides voice telephone services in the future, Southern Light intends to use the existing local exchange boundaries and established local calling scope of the incumbent local exchange carriers in South Carolina. Southern Light will perform network and equipment maintenance necessary to ensure compliance with any quality of service requirements. Southern Light will comply with all applicable Commission

rules, regulations and standards, and will provide safe, reliable and high-quality telecommunications services in South Carolina.

Southern Light has not yet entered into or requested interconnection/resale agreements in South Carolina as such agreements are generally not required to provide the services it will initially offer as described above. The Applicants, however, will assign Tower Cloud's interconnection and other relevant carrier agreements to Southern Light in connection with the Transaction.

Southern Light's proposed tariff, setting forth the terms, conditions, rates, charges and regulations pursuant to which Southern Light proposes to provide regulated telecommunications service is provided as <u>Exhibit C</u>.

## 3. <u>Customer Service</u>

Southern Light's planned service offerings will meet or exceed the Commission's quality of service requirements. In addition, connectivity of Southern Light's network will not impair the statewide public switched network. To ensure top-quality service, Southern Light's Network Operations Center (NOC) is available for customer inquiries 24 hours, 7 days a week, at 1-888-734-8100. Southern Light's primary point of contact for customer service is:

Thomas Payne Vice President, Marketing & Customer Service Delivery 5904 Stone Creek Dr., Suite 130 The Colony, TX

Southern Light's customers can contact its Network Operations Center at any time by calling 1-888-734-8100 or by email at <a href="Moc.Team@uniti.com">NOC.Team@uniti.com</a>.

## III. QUALIFICATIONS OF SOUTHERN LIGHT

Southern Light possesses the requisite financial, technical and managerial capabilities to operate as a competitive telecommunications provider as described in further detail below.

#### 1. Financial Qualifications

Southern Light possesses the requisite financial resources to provide telecommunications services in South Carolina. Southern Light does not maintain financial statements separate from the consolidated financial statements of its ultimate parent company, Uniti Group. For purposes of this Application, Southern Light will rely on the financial statements of Uniti Group (under its prior name of CS&L) to demonstrate Southern Light's financial qualification to operate within South Carolina. The most recent consolidated financial statements of Uniti Group (under the prior name of CS&L) are provided as <a href="Exhibit D">Exhibit D</a>. As shown in the financial statements, Southern Light is financially qualified to operate within the State of South Carolina.

## 2. <u>Technical and Managerial Qualifications</u>

Southern Light is technically and managerially qualified to provide competitive local exchange and interexchange services in South Carolina. Southern Light's operations will be directed by its existing corporate management, technical, and operations staffs responsible for the telecommunications operations of Southern Light and its subsidiaries and affiliates. The key officers and managers of Southern Light are as follows:

Kenneth Gunderman, Chief Executive Officer

Mark Wallace, Executive Vice President, Chief Financial Officer and Treasurer

Daniel Heard, Executive Vice President, General Counsel and Secretary

Ronald Mudry, President of Sales and Business Development

Andy Newton, President of Infrastructure and Operations

Mike Friloux, Senior Vice President, Chief Technology Officer

Blake Schumhmacher, Vice President, Chief Accounting Officer

Keith Harvey, Vice President, Deputy General Counsel

Jeffrey Strenkowski, Vice President, Deputy General Counsel of Governmental Affairs

Arnoud Krijt, Vide President, Corporate Development

Allison Taylor, Vice President, Integration and Operations

Greg Ortyl, Senior Vice President, Sales

Robert Leithman, Senior Vice President, Enterprise Sales

Jason Hunt, Senior Vice President, E-Rate Markets

Eric Daniels, Senior Vice President, Operations

Paul Bullington, Senior Vice President P, Finance

Thomas Payne, Vice President, Product Management

Greg Tapscott, Vice President, Controller

Julie Plowman, Vice President, Deputy General Counsel Jon Gifford, Vice President, Critical Infrastructure Special Projects Wayne Curry, ITS Program Manager

Officers may be contacted at Southern Light's principal place of business. As a member-managed limited liability company, Southern Light does not have directors but rather is ultimately managed by its parent company, Uniti Group. A description of the background of Southern Light's key personnel, which demonstrates the extensive telecommunications experience of Southern Light's management team, is provided as <a href="Exhibit E">Exhibit E</a>. Neither Southern Light nor any of its officers, directors, partners or managers has been or are currently the subject of any civil or criminal proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency that could adversely affect Southern Light's ability to provide telecommunications services in South Carolina.

## IV. WAIVERS AND REGULATORY COMPLIANCE

Southern Light requests that, pursuant to 10 S.C. Reg. 103-601(3), the Commission waive the following Commission Rules and grant regulatory treatment as set out herein:

1. 10 S.C. Reg. 103-610: Southern Light requests a waiver of the requirement in Rule 103-610 that all records required under the rules be kept within the State. Southern Light maintains its records at its principal offices in its operational headquarters at 107 St. Francis Street, Suite 1800, Mobile, AL 36602. As such, maintaining a separate set of books and records in South Carolina for Southern Light's South Carolina operations would be unduly costly and burdensome. Southern Light states that all such books and records shall be provided to the Commission Staff or the Office of Regulatory Staff ("ORS") in a timely manner upon request, and will also make those books and records available to the Commission Staff or the ORS its offices in Alabama.

- 2. 10 S.C. Reg. 103-611: Southern Light requests that it be exempt from any record-keeping rules or regulations that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). The USOA was developed by the FCC as a means of regulating telecommunications companies subject to rate base regulation. As a competitive carrier, Southern Light will not be subject to rate base regulation and therefore should not be subject to USOA requirements. Southern Light maintains its books in accordance with Generally Accepted Accounting Principles ("GAAP"). In addition to the above requested waivers, Southern Light reserves the right to seek any regulatory waivers which may be required for Southern Light to compete effectively in the South Carolina telecommunications market.
- **3. Flexible Regulation of Local Exchange Services:** Southern Light respectfully requests that its local exchange service offerings be regulated in accordance with procedures outlined in Order No. 98-165 in Docket No. 97-467-C.

## 4. Alternative Regulation of Business Interexchange Service Offerings.

Southern Light requests that all of its business interexchange service offerings be regulated pursuant to the procedures described and set out in Commission Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C. It is Southern Light's intent by this request to have its business services regulated in the same manner as this Commission has permitted for AT&T Communications of the Southern States, Inc. ("AT&T"). Specifically, Southern Light requests that the Commission:

- a. remove the maximum rate tariff requirements for its business services, private line, and customer network-type offerings;
- b. presume that the tariff filings for these uncapped services be valid upon filing. However, if the Commission institutes an investigation of a particular filing within seven (7) days, the tariff filing would be suspended until further order of the Commission; and

c. grant Southern Light the same treatment as AT&T in connection with any future relaxation of the Commission's reporting requirements.

## V. PUBLIC INTEREST CONSIDERATIONS

The grant of this Application will promote the public interest by increasing competition in the provision of telecommunications services in South Carolina. In addition to driving prices closer to costs, thereby ensuring just and reasonable rates, competition also promotes efficiency in the delivery of services and in the development of new services. These benefits work to maximize the public interest by providing continuing incentives for carriers to reduce costs while, simultaneously, promoting the availability of potentially desirable services. Southern Light's operations will be overseen by a well-qualified management team with substantial telecommunications experience and technical expertise. Southern Light will provide customers high quality, cost effective telecommunications services, with an emphasis on customer service.

The grant of Southern Light's Application is consistent with S.C. Code Ann. Sec. 58-9-280(B), as amended by 1996 Act No. 354. Southern Light makes the following representations:

- a. Southern Light possesses the technical, managerial and financial resources sufficient to provide the services described in this application;
- b. Southern Light's local exchange services will meet the service standards required by the Commission;
- c. The provision of local exchange services by Southern Light will not adversely impact the availability of affordable local exchange service;
- d. Southern Light, to the extent required by this Commission, will participate in the support of universally available telephone service at affordable rates;
- e. The provision of local exchange service by Southern Light will not adversely impact the public interest.

## VI. CONCLUSION

For the reasons stated above, Southern Light respectfully requests that the Commission expeditiously grant this Application for the authority to provide all types of facilities-based and resold local exchange, exchange access and interexchange telecommunications services, and grant Southern Light's request for alternative and flexible regulation and the waivers described herein. Southern Light also seeks approval to undertake the Transaction with Tower Cloud as described herein, and requests that the Commission grant such other relief as is just and proper.

Respectfully submitted,

By: <u>s/John J. Pringle, Jr.</u>

John J.Pringle, Jr. Adams and Reese, LLP 1501 Main Street, 5<sup>th</sup> Floor

Columbia SC 29201 Tel. 803-254-4190

Counsel for Applicants

September 20, 2017

## **LIST OF EXHIBITS**

Exhibit A - Amended Articles of Organization

Exhibit B - Certificate of Authority to Transact Business

Exhibit C - Proposed Tariff

Exhibit D - Financial Information

Exhibit E - Management Biographies

Exhibit F Proposed Notice of Filing

Verification

## EXHIBIT A

**Amended Articles of Organization** 

## EXHIBIT B

Certificate of Authority to Transact Business

## EXHIBIT C

**Proposed Tariff** 

## EXHIBIT D

**Financial Information** 

## EXHIBIT E

## **Management Biographies - Key Personnel**

## **Andy Newton**

Andy Newton is President of Infrastructure and Operations. Andy recently joined Uniti Fiber through the acquisition of Southern Light, LLC, where he was a founder in 1998, and served as Chief Executive Officer. Andy brings significant experience to the Uniti Fiber group of businesses, after turning Southern Light into a major deployer of fiber optic networks and related services throughout the U.S. Gulf Coast region.

## Ron Mudry

Ron Mudry is President of Sales and Business Development. Having previously founded Tower Cloud, Mudry brings 29 years of rich experience to our leadership team. During his tenure at Tower Cloud, Mudry created an organization that became an industry leader in fiber, small cell and cell site backhaul services. Prior to his time with Tower Cloud, Mudry founded Progress Telecom (formed in 1998) and before that spent 15 years with GTE Corporation (now Verizon) where he held key management positions in finance, sales and marketing, international operations, treasury, strategic planning, and mergers and acquisitions. Mudry served as chairman of the CEO Council of COMPTEL and regularly speaks at regional and national industry events.

## **Greg Ortyl**

Greg Ortyl is Senior Vice President of Sales. Ortyl is a seasoned technology sales executive with a long history of building lasting relationships across the telecommunications industry. Prior, Ortyl held the same role at PEG Bandwidth and has focused much of his career on the wireless backhaul industry. Prior to working at PEG, Ortyl served as vice president and director of backhaul sales at Level 3 Communications. In this role he managed a team of sales people and formed key relationships with major US wireless carriers. He also held the position of national account director at FiberTower.

#### **Eric Daniels**

Eric Daniels is Senior Vice President of Operations. Eric recently joined the Uniti Fiber group of businesses through the acquisition of Southern Light, LLC, where he served as Chief Operating Officer.

#### **Robert Leithman**

Robert Leithman is Senior Vice President of Enterprise Markets. Robert recently joined the Uniti Fiber group of businesses through the acquisition of Hunt Telecommunications, where he was a founder, and served as the company's President.

#### **Jason Hunt**

Jason Hunt is Senior Vice President of E-Rate Markets. Jason recently joined the Uniti Fiber group of businesses through the acquisition of Hunt Telecommunications, where he was a founder, and served as the company's CEO.

#### **Tom Guard**

Tom Guard is Senior Vice President, Finance and Administration. With more than 25 years in corporate finance, mergers and acquisitions and accounting. Guard leads the company's corporate finance and planning functions. Before the creation of Uniti Fiber, Guard served in the same position for Tower Cloud. Prior to joining Tower Cloud, he was senior vice president and treasurer of Global Signal where he was a member of the executive team that turned Global Signal from bankruptcy into one of the largest publicly traded wireless tower companies in North America.

## **Paul Bullington**

Paul Bullington is Senior Vice President of Finance. Paul recently joined the Uniti Fiber group of businesses through the acquisition of Southern Light, LLC, where he served as Chief Financial Officer.

#### **Russell Schomber**

Russell Schomber is Senior Vice President of Engineering and Operations. He has more than 20 years of experience in enterprise network and telecommunications design. Schomber has predominately worked with carrier Ethernet architecture, cellular tower backhaul, and dark fiber. Schomber comes from Tower Cloud where he held the same role. Previously he worked for CapeNet LLC, a fiber optic network operator, where he held the position vice president of network services. He was also vice president of engineering for NEON Communications prior to his time with CapeNet LLC.

## **Tom Payne**

Tom Payne is Vice President of Marketing, Carrier Relations, and Service Delivery. Payne's responsibilities include all purchasing of dark fiber, lit services, and high availability space. He is also responsible for the company's marketing department including product definitions, pricing, and marketing communications.

Prior to the creation of Uniti Fiber, Payne held the same role at PEG Bandwidth. Before his time with PEG he held several senior positions in marketing or planning at Zayo Communications, Citynet Fiber Network, AFN Communications, Williams Communications, EDS and Nortel Networks.

## **EXHIBIT F**

**Proposed Notice of Filing** 

## VERIFICATION